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Northern Telecom Inc. Tel. (202) 347-4610

801 Pennsylvania Avenue, N.W.
Suite 700
Washington, DC 20004

By Messenger

May 5, 1995

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MAY - 5 1995

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Mr. William Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW - Room 222
Washington, D.C. 20554

RE: Ex Parte Presentation CC Docket No. 93-292
Policies and Rules Concerning Toll Fraud

Dear Sir:

Pursuant to the Commission's rules, this letter is to advise you that Bill Conner, Vice President, Multimedia Communications Systems; John Ryan, Assistant Vice President Marketing, Multimedia Business Systems; and the undersigned all of Northern Telecom, and Bill Welling, Chief Executive Officer, Xiox Corporation met with FCC officials to advise them of the announcement of new Northern Telecom products and services that will reduce the incidence of toll fraud.

The meetings, which took place on May 1, 1995, included Pete Belvin of Commissioner Quello's office; Jim Coltharp of Commissioner Barrett's office; Kathleen Wallman, Mary Beth Richards, Pam Gerr, and Linda Dubroof of the Common Carrier Bureau. The discussions that took place were based on the attachments to this letter which were made available to the meeting participants.

Please communicate with the undersigned if you have any questions.

Sincerely

Raymond L. Strassburger
Director, Government Relations - Telecommunications Policy

RLS/gj

cc: w/o attachments

Pete Belvin
Jim Coltharp
Kathleen M. H. Wallman
Mary Beth Richards
Pam Gerr
Linda Dubroof

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NORTEL

News Release

May 1, 1995

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Contact:
Brian Murphy
Northern Telecom
214-684-8589

MAY - 5 1995

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

NORTEL and Xiox drive new level of voice/data/CTI toll-fraud protection in industry

Richardson, Texas - Northern Telecom today announced Meridian Safe, a combination of telecommunication system hacker protection products and services that provides organizations using private branch exchange (PBX) and Centrex systems with significant protection against financial loss from remote access toll fraud. The Meridian Safe product allows full use of the PBX with its associated voice mail systems, modem pools, and other money saving features. It works with any long-distance provider service and any PBX and voice mail system.

"NORTEL is responding to customer and industry concerns by bringing a highly innovative solution to remote access toll fraud," said Bill Conner, vice president, Multimedia Communication Systems (MCS), NORTEL. "This solution - Meridian Safe - delivers a new level of toll-fraud protection to the customer and the industry. Additionally, with computer telephony integration (CTI) applications becoming mainstream, customers face a whole new vulnerability, which we are addressing before CTI-related fraud incidents become commonplace. Customers who incorporate Meridian Safe products and services can be confident they are getting the full value and protection of their communication system investment."

- more -

Meridian Safe uses a combination of technologies, products and services, such as artificial intelligence and voice password analysis. The Meridian Safe product consists of: Xiox Corporation's Fort Knox line of anti-hacker products, a \$100,000 annual warranty against remote access telephone fraud financial loss, and NORTEL's Meridian Examiner PBX security audit. The Meridian Administration Tools (MAT) system is a prerequisite to the purchase of Meridian Safe. The \$100,000 warranty provides protection against telephone fraud financial loss caused by remote access toll fraud for single or multiple site customers' PBXs. This warranty is underwritten by Great American Insurance Companies.

"Meridian Safe not only shuts the door on exposure, but also allows users to take advantage of the cost saving features of the PBX ... what a one-two punch," said Gail Meisner, president of the International SL-1 Users Association, Inc. (ISLUA). "Meridian Safe is the culmination of a lot of effort on the part of NORTEL and the ISLUA developing a solution to the important issue of toll abuse."

"The Meridian Safe product is unique because it is both secure and open in terms of full use of cost-saving features such as Direct Inward System Access (DISA), telecommuting, "800" service calls into voice mail, modem pools, and automatic call distribution," said John Ryan, assistant vice president, Marketing, Multimedia Business Systems, NORTEL. "Because the offering is *both* open and secure, organizations can take advantage of their aggregate negotiated long-distance rates from their main facility, thereby eliminating costly calling cards for their employees who travel frequently."

Meridian Safe protects not only voice networks, but also data and computer telephony integration applications. It can guard local area network and wide area network environments. In addition, with integrated computer and telephony applications, it can prevent toll fraud abuse by data hackers who attempt to gain access and control of voice network features and services.

- more -

Hacker Preventer disables user privileges and facilities by using artificial intelligence to monitor and screen calls. Hacker Deadbolt protects sensitive locations such as remote maintenance ports of PBXs and remote communication servers for local area networks and larger computers. Hacker Tracker software generates reports on PBX traffic by using station message detail recording (SMDR) data. Hacker Tracker is pre-configured with the most effective reports for tracking and trapping illicit network users.

NORTEL's Meridian Examiner service for the Meridian 1 PBX and Meridian Mail systems is a security audit service program that identifies potential toll fraud access. NORTEL's MAT system must be purchased prior to purchasing Meridian Safe in conjunction with a Meridian 1 PBX system. MAT provides a user-friendly Microsoft Windows PC based station administration tool for Meridian 1 station administration and traffic analysis.

Meridian Safe is available from NORTEL authorized distributors. Information is available from 1-800-NORTHERN.

- end -

AGENDA

- Welcome and Introduction B. Conner
- Industry Info - "Hacking" J. Haugh
- Meridian Safe - "Solution" J. Ryan
- Solution "Technology" B. Welling



MERIDIAN CORPORATION

MERIDIAN

Toll Fraud...

- NORTTEL proactive leader
 - Educating users in prevention
 - Developing system safeguards
- Forced restrictions on systems

Users have been imprisoned by hackers



NORTTEL CORPORATION

NORTTEL

As a result of hackers...

Manufacturers

Carriers



Customers

\$Billions
Direct
Toll Fraud
Costs



Restricted
Features



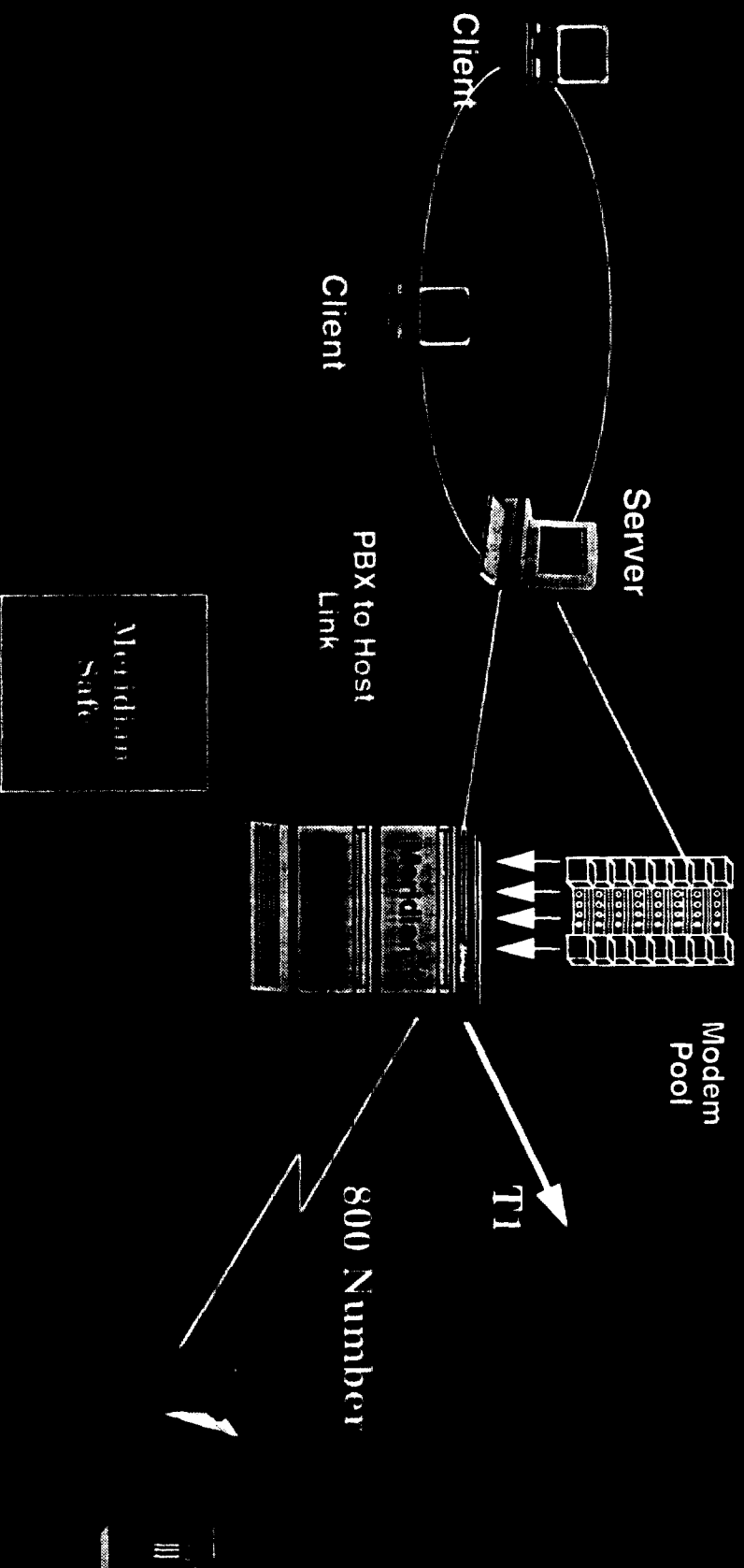
Lost Value
Time/\$

ALLOCATION

NET

MERIDIAN SAFE

Voice/Data Toll Fraud Prevention



NORTEL and Xiox FREELING our customers ...
leading a new industry paradigm

STRUCTURIZATION

NORTEL

NORTELL and Leading Edge Companies

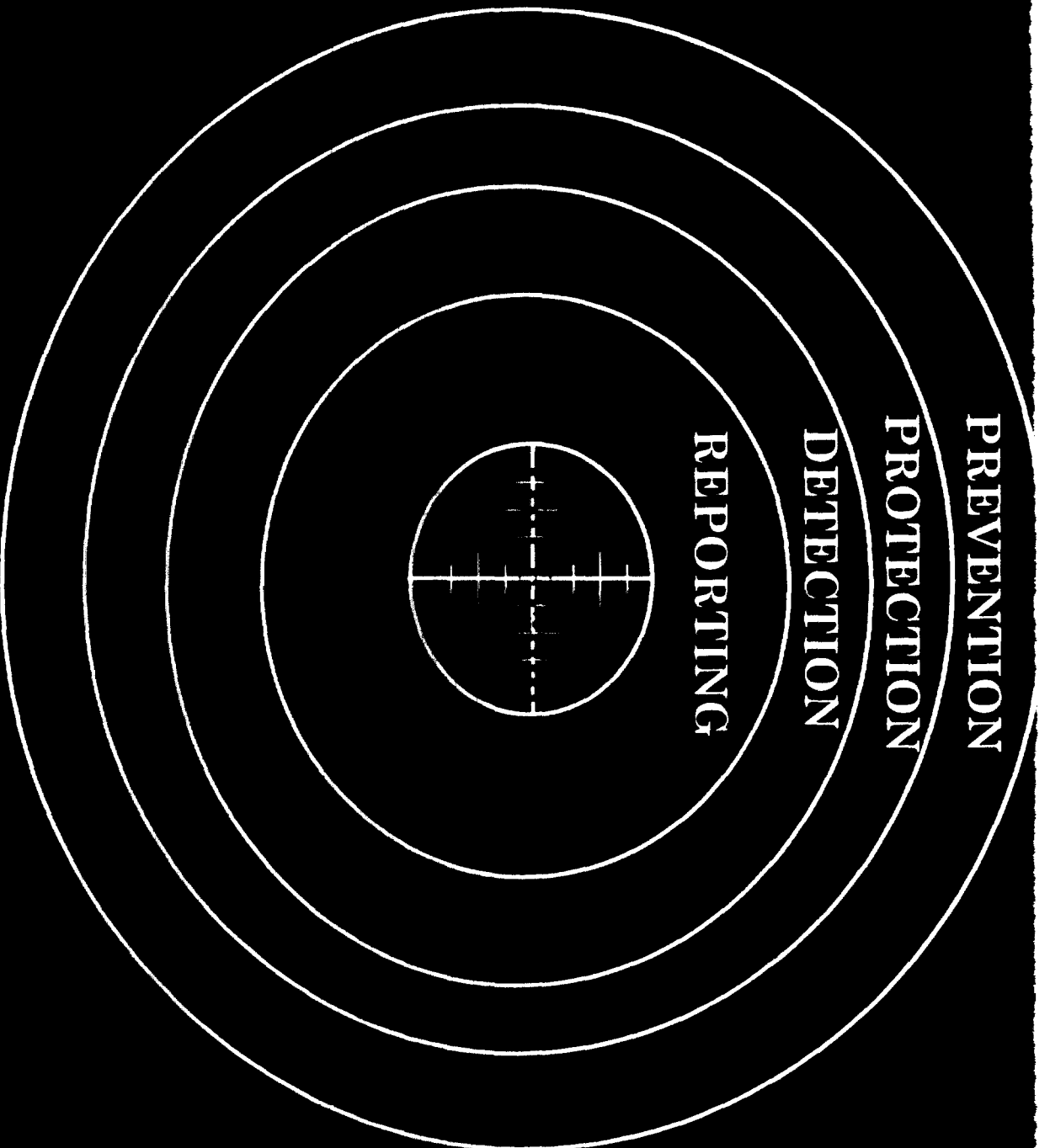


Co-Marketing Agreements



XEROX CORPORATION

NORTELL



XEROX CORPORATION

NORTHEAST

MERIDIAN SAFE

OPEN

SECURE

AMERICAN CORPORATION

MERIDIAN

MERIDIAN SAFE

OPEN

SECURE

\$100,000 Remote Access Warranty

EXCLUSIVITY OF OPERATION

NOBILITY

MERIDIAN SAFE

OPEN

SECURE

\$100,000 Remote Access Warranty

SAVINGS/SERVICE

INFORMATION

NOTES

Meridian Examiner

Trunks

Maintenance Ports

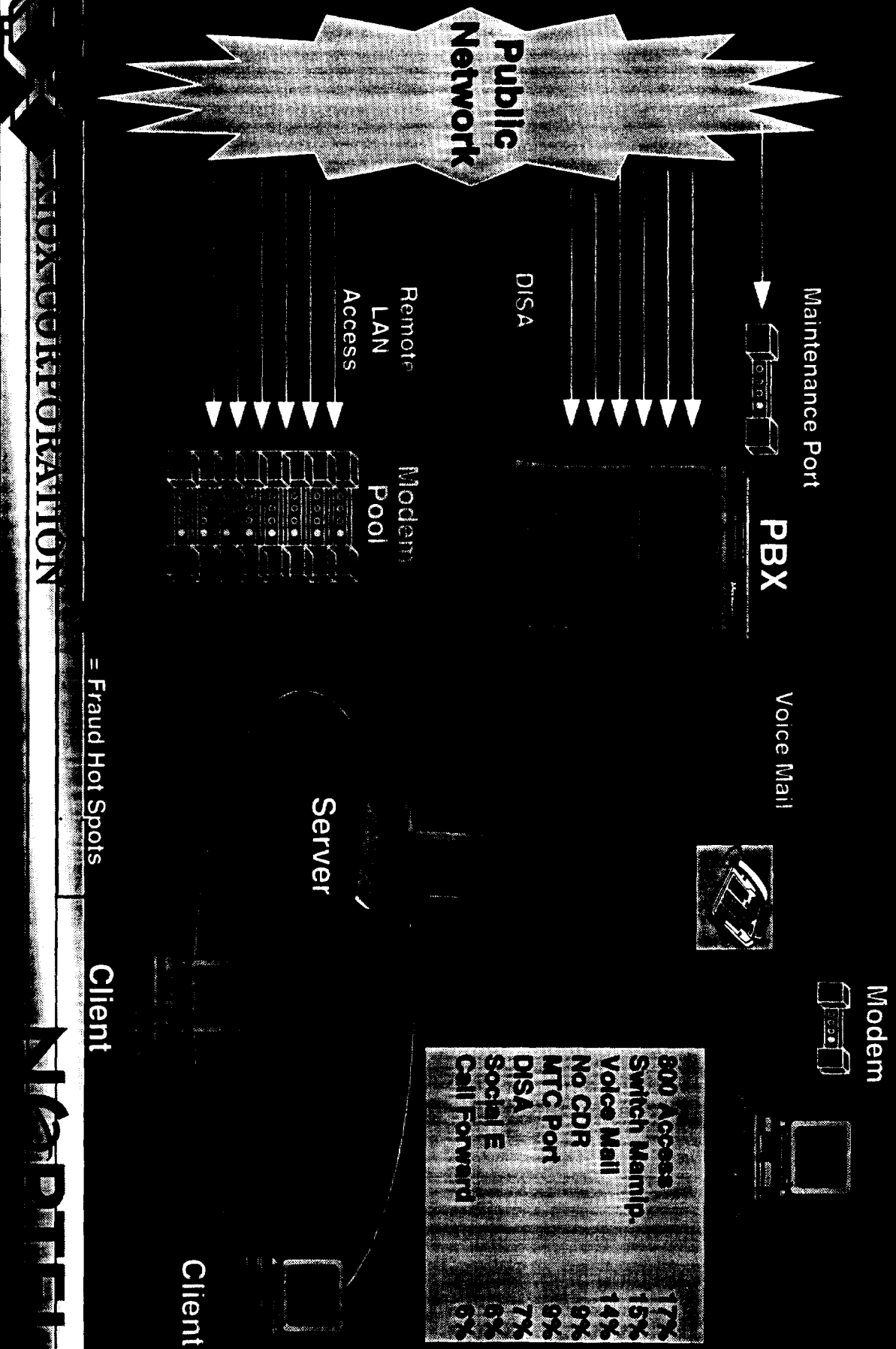
Detect/Report

MERIDIAN SAFE

INFORMATION

Meridian

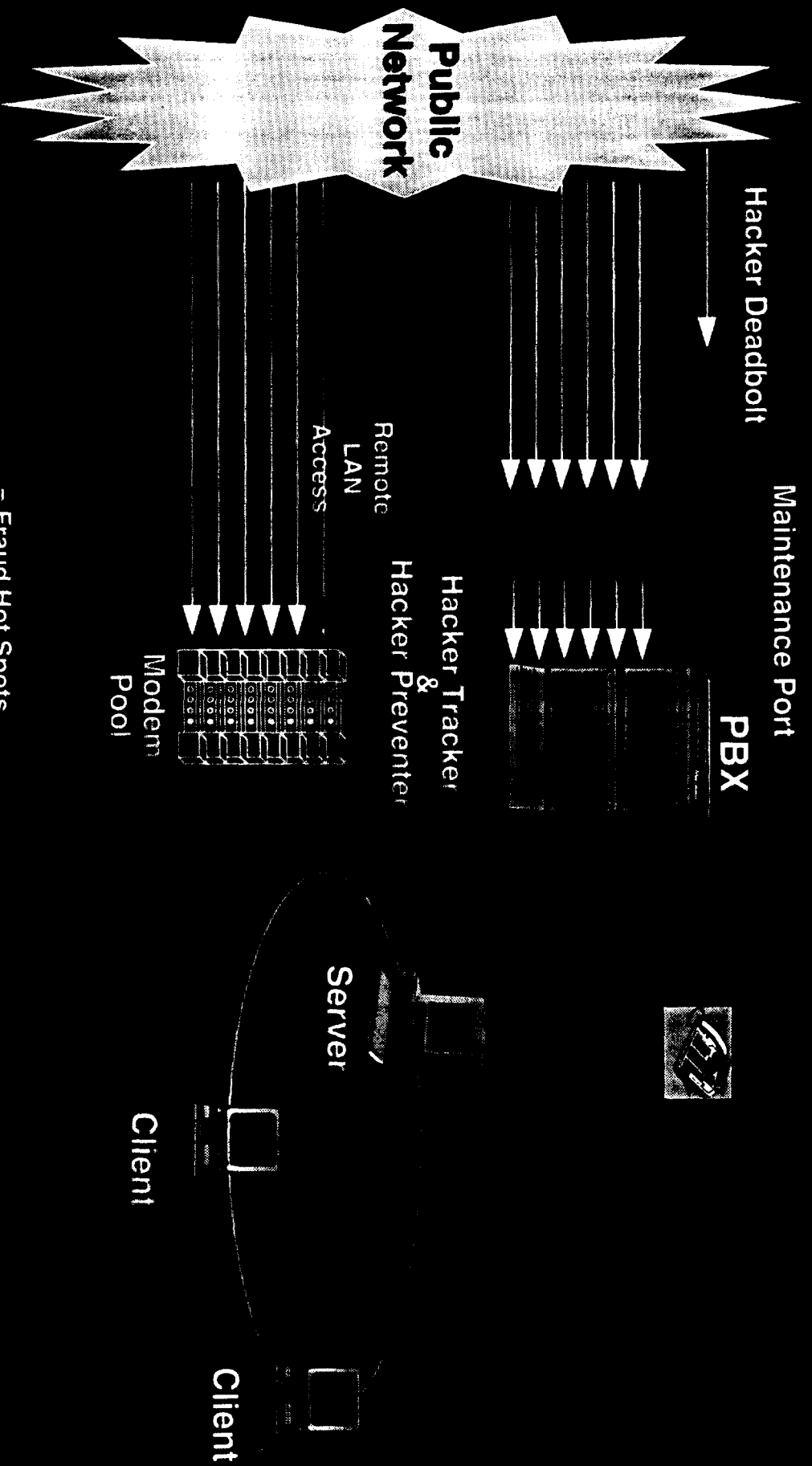
Standard Configuration



STANDARD CONFIGURATION

MODIFIED

Data Fraud

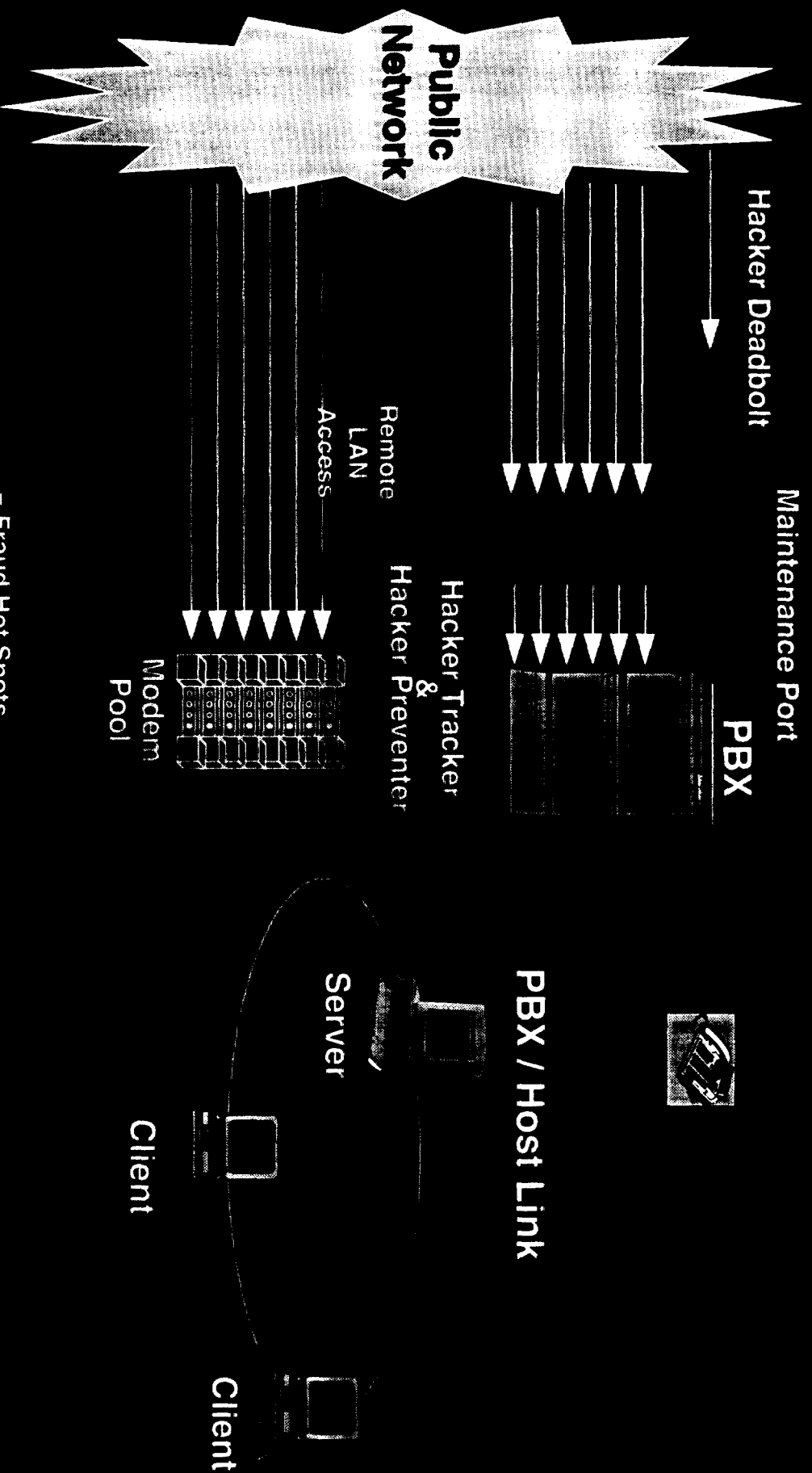


= Fraud Hot Spots

SECURITY CORPORATION

NEPTUNE

PBX to Host Link Fraud

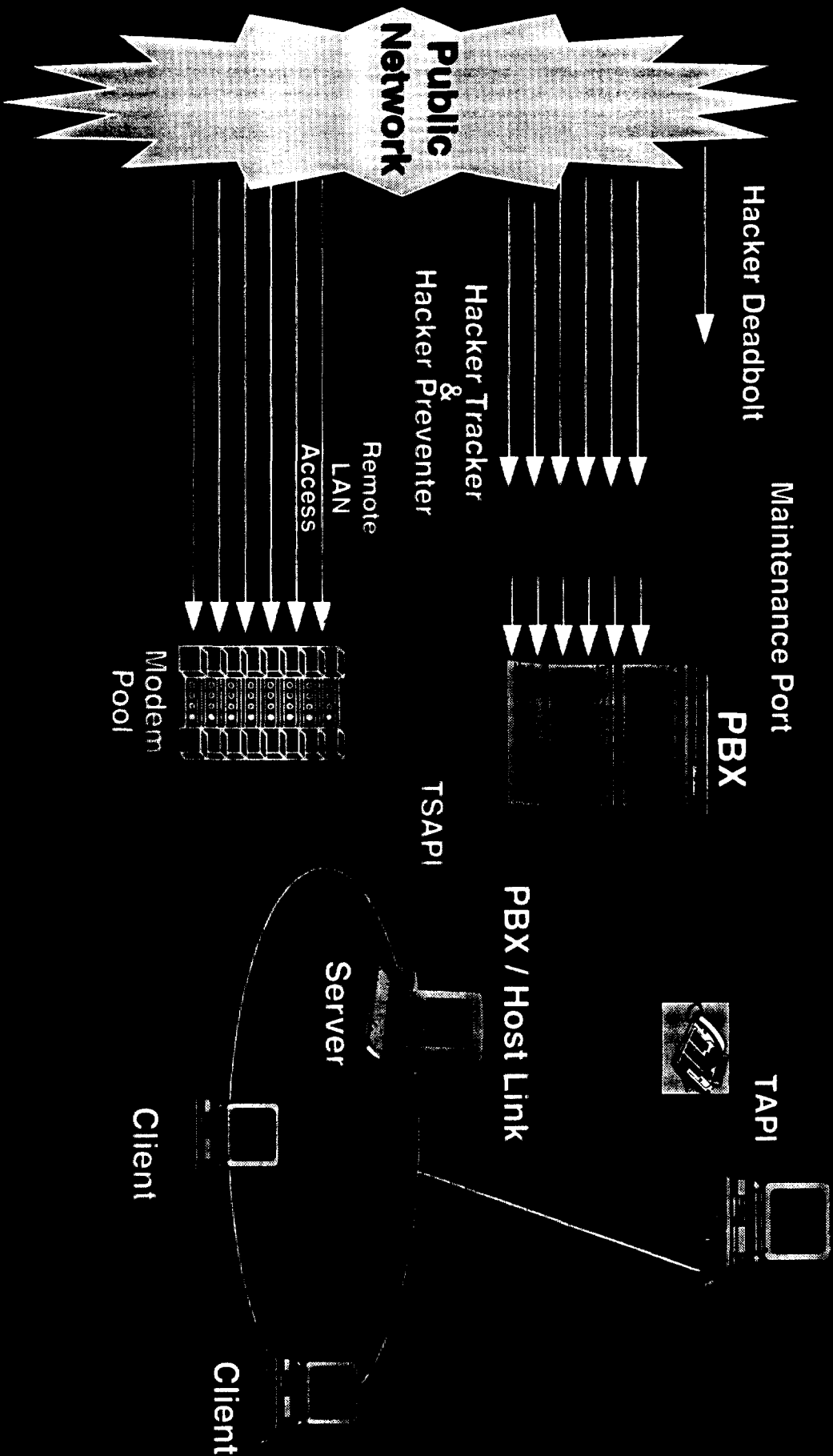


= Fraud Hot Spots

MILOX CORPORATION

MILOX

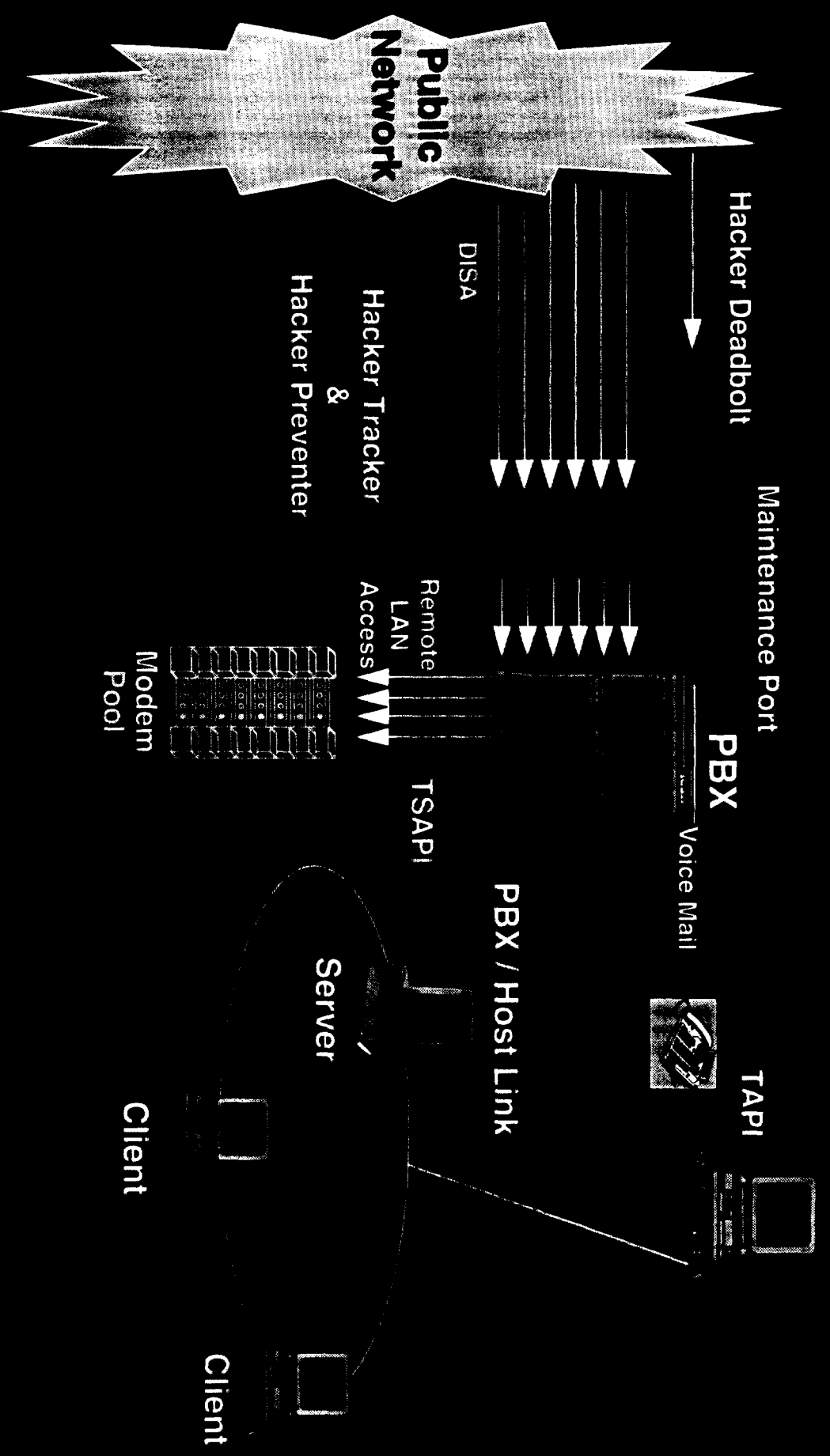
CTI Fraud



TELECOMUNICATIONS

NOBILITY

Recommendation !



TELECOMMUNICATION

NOBILITY